

**VOLUNTEERS OF AMERICA OF
GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2014
With Summarized Comparative
Information For the Year Ended June 30, 2013**

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Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

(Retired)
Michael B. Bruno, CPA (2011)

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Volunteers of America of Greater New Orleans, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Volunteers of America of Greater New Orleans, Inc. and Subsidiaries (the Organization)** (a nonprofit organization) inclusive of Canal Street Single Room Occupancy (SRO) Limited Partnership (a Louisiana limited partnership), which collectively comprise **the Organization's** consolidated statement of financial position as of June 30, 2014 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of Community Living Centers, Inc. and 2901 Dee, Inc., d/b/a Embassy House, wholly-owned subsidiaries of **the Organization**, as of and for the year ended June 30, 2014, which reflect total assets of \$657,269 and \$2,309,664 as of June 30, 2014, respectively and total revenues of \$184,016 and \$156,843 for the year ended June 30, 2014, respectively. The financial statements of Community Living Centers, Inc. and 2901 Dee, Inc. d/b/a Embassy House were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Community Living Centers, Inc. and 2901 Dee, Inc. d/b/a Embassy House as of and for the year ended June 30, 2014, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

INDEPENDENT AUDITORS' REPORT, continued

To the Board of Directors

Volunteers of America of Greater New Orleans, Inc.

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Auditors' Responsibility, continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the reports of other auditors, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of **Volunteers of America of Greater New Orleans, Inc. and Subsidiaries** as of June 30, 2014 and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited **the Organization's** 2013 consolidated financial statements and our report dated December 12, 2013, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

INDEPENDENT AUDITORS' REPORT, continued

To the Board of Directors

Volunteers of America of Greater New Orleans, Inc.

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Other Matters

Other Information

Our audit was made for the purposes of forming an opinion on the consolidated financial statements taken as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The additional accompanying supplementary information as listed in the Table of Contents is presented for purposes of additional analysis and is also not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, which insofar as it relates to Community Living Centers, Inc. and 2901 Dee, Inc. d/b/a Embassy House is based on the reports of other auditors, the accompanying supplementary information as listed in the Table of Contents is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

INDEPENDENT AUDITORS' REPORT, continued

To the Board of Directors
Volunteers of America of Greater New Orleans, Inc.
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014, on our consideration of **the Organization's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **the Organization's** internal control over financial reporting and compliance.



BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 12, 2014

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION FOR JUNE 30, 2013**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 4,546,488	\$ 4,505,590
Grants receivable, net of allowance for doubtful accounts of \$84,909 at June 30, 2014 (NOTE 3)	2,475,944	2,135,496
Pledges receivable, net of allowance for doubtful accounts of \$299,756 at June 30, 2014 (NOTE 4)	862,811	513,164
Notes receivable-investment partner (NOTE 5)	0	2,378,024
Prepaid expenses	122,046	180,054
Other current assets	100,053	77,330
RNDC's general and limited partnerships' assets (NOTE 9)	<u>1,656,771</u>	<u>4,358,873</u>
Total current assets	<u>9,764,113</u>	<u>14,148,531</u>
Fixed assets:		
Land and buildings (NOTE 7)	17,789,462	15,693,390
Furnishings and equipment (NOTE 7)	2,020,462	1,767,861
Accumulated depreciation (NOTE 7)	(5,503,211)	(5,078,184)
RNDC's general and limited partnerships' assets (NOTE 9)	<u>57,771,203</u>	<u>53,519,069</u>
Total fixed assets	<u>72,077,916</u>	<u>65,902,136</u>
Other assets:		
Designated and restricted assets (NOTE 8)	477,821	243,502
Long-term investments (NOTE 6)	5,429,108	5,120,682
Investment in joint venture	71,274	30,638
Note receivable-investment partner (NOTE 5)	11,055,738	11,190,453
RNDC's general and limited partnerships' assets (NOTE 9)	<u>2,565,229</u>	<u>1,471,441</u>
Total other assets	<u>19,599,170</u>	<u>18,056,716</u>
Total assets	<u>\$ 101,441,199</u>	<u>\$ 98,107,383</u>

The accompanying notes are an integral part of these financial statements.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION FOR JUNE 30, 2013**

	<u>2014</u>	<u>2013</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 747,365	\$ 699,455
Mortgages and notes payable (NOTE 10)	4,625,771	6,511,957
Accrued expenses	1,156,049	1,020,868
Other current liabilities	821,717	368,119
RNDC's general and limited partnerships' liabilities (NOTE 11)	<u>1,254,900</u>	<u>3,085,678</u>
Total current liabilities	<u>8,605,802</u>	<u>11,686,077</u>
Other liabilities:		
Mortgages and notes payable (NOTES 10)	9,292,652	10,421,450
RNDC's general and limited partnerships' liabilities (NOTE 11)	<u>41,659,734</u>	<u>42,090,569</u>
Total other liabilities	<u>50,952,386</u>	<u>52,512,019</u>
Total liabilities	<u>59,558,188</u>	<u>64,198,096</u>
Net Assets:		
Unrestricted net assets	<u>41,883,011</u>	<u>33,909,287</u>
Total net assets	<u>41,883,011</u>	<u>33,909,287</u>
Total liabilities and net assets	<u>\$ 101,441,199</u>	<u>\$ 98,107,383</u>

The accompanying notes are an integral part of these financial statements.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

<u>REVENUES</u>	<u>2014</u>	<u>2013</u>
Revenues from operations:		
Public support received directly:		
Contributions	\$ 3,079,693	\$ 782,556
Contributions-RNDC's general and limited partnerships (NOTE 16)	7,316	436,410
Special events, net of direct benefit cost of \$53,786 for the year ended June 30, 2014	1,001,586	748,962
Public support received indirectly:		
United way:		
Allocations	62,082	34,361
Designations	22,453	21,712
Total public support	<u>4,173,130</u>	<u>2,024,001</u>
Revenues and grants from governmental agencies	<u>19,896,465</u>	<u>19,967,529</u>
Other revenue:		
Program service fees	1,836,089	3,144,776
Rental income	268,462	274,471
Tax credit revenue	2,775,008	0
Other operating income	197,301	637,996
RNDC's general and limited partnerships' revenue (NOTE 16)	3,431,026	2,131,924
Total other revenue	<u>8,507,886</u>	<u>6,189,167</u>
Total operating revenue	<u>32,577,481</u>	<u>28,180,697</u>

The accompanying notes are an integral part of these financial statements.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>2014</u>	<u>2013</u>
<u>EXPENSES</u>		
Operating expenses:		
Program services:		
Encouraging positive development	\$ 5,016,281	\$ 3,392,301
Fostering independence	9,014,357	10,897,622
Promoting self-sufficiency	<u>12,216,220</u>	<u>9,704,137</u>
Total program services	<u>26,246,858</u>	<u>23,994,060</u>
Supporting services:		
Management and general	2,391,401	2,296,797
Fundraising	<u>978,710</u>	<u>996,306</u>
Total supporting services	<u>3,370,111</u>	<u>3,293,103</u>
Affiliate fees:		
Fees paid to national organization	<u>393,497</u>	<u>367,551</u>
Total affiliate fees	<u>393,497</u>	<u>367,551</u>
Total operating expenses	<u>30,010,466</u>	<u>27,654,714</u>
Excess (deficit) from operations	<u>2,567,015</u>	<u>525,983</u>

The accompanying notes are an integral part of these financial statements.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>2014</u>	<u>2013</u>
<u>OTHER ACTIVITIES</u>		
Non-operating gains (losses) and other revenue:		
Interest and dividend income (NOTE 6)	\$ 473,322	\$ 89,079
Gain (loss) on disposition of assets	(3,630)	(25,265)
Gain (loss) on investments (NOTE 6)	551,829	750,161
RNDC's general and limited partnerships' other activities	(120)	38,410
Other non-operating gains (losses)	<u>35,016</u>	<u>61,213</u>
Surplus (deficit) from other activities	<u>1,056,417</u>	<u>913,598</u>
Change in net assets from operations	3,623,432	1,439,581
Other changes in net assets (NOTE 19)	<u>4,350,292</u>	<u>16,200,169</u>
Change in net assets	7,973,724	17,639,750
Net assets, beginning of year	<u>33,909,287</u>	<u>16,269,537</u>
Net assets, end of year	<u>\$ 41,883,011</u>	<u>\$ 33,909,287</u>

The accompanying notes are an integral part of these financial statements.

VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013

	PROGRAM SERVICES				SUPPORTING SERVICES				
	Encouraging Positive Development	Fostering Independence	Promoting Self-Sufficiency	Sub-Total	Management and General	Fundraising	Sub-Total	Total	2013
Salaries	\$ 2,239,967	\$ 5,349,701	\$ 2,959,869	\$ 10,549,537	\$ 1,280,074	\$ 400,865	\$ 1,680,939	\$ 12,230,476	\$ 11,860,876
Pension	42,639	86,848	94,979	224,466	107,559	20,695	128,254	352,720	382,334
Other employee benefits	94,578	112,136	96,715	303,429	56,261	16,089	72,350	375,779	597,211
Payroll taxes	193,764	515,358	235,729	944,851	67,410	15,003	82,413	1,027,264	1,007,895
Legal fees	29,303	6,296	28,370	63,969	12,099	813	12,912	76,881	79,136
Accounting fees	0	10,515	45,279	55,794	74,730	0	74,730	130,524	55,874
Other professional fees	861,637	750,194	613,007	2,224,838	293,228	293,396	586,624	2,811,462	2,504,419
Supplies	560,405	334,332	191,547	1,086,284	30,804	3,580	34,384	1,120,668	801,178
Telecommunications	43,866	88,052	97,775	229,693	42,127	5,369	47,496	277,189	278,666
Postage	2,320	3,574	1,731	7,625	10,987	3,984	14,971	22,596	25,815
Occupancy	283,905	778,599	604,236	1,666,740	90,413	486	90,899	1,757,639	1,457,001
Interest	0	41,442	436,557	477,999	36,668	0	36,668	514,667	547,584
Insurance	19,672	184,975	334,179	538,826	70,844	3,311	74,155	612,981	570,257
Equipment rental and maintenance	20,939	42,312	95,019	158,270	15,814	326	16,140	174,410	189,638
Printing and publications	11,627	9,423	11,942	32,992	24,909	6,089	30,998	63,990	83,376
Travel and transportation	88,067	219,055	69,031	376,153	7,229	41,775	49,004	425,157	416,659
Conferences and meetings	23,557	16,791	28,246	68,594	39,750	5,840	45,590	114,184	114,940
Specific assistance to individuals	451,040	175,122	1,537,455	2,163,617	4,511	103	4,614	2,168,231	2,379,933
Other	36,467	112,603	51,806	200,876	77,876	159,986	237,862	438,738	509,109
Depreciation	12,528	177,029	373,739	563,296	48,108	1,000	49,108	612,404	597,129
RNDC's general and limited partnerships	0	0	4,309,009	4,309,009	0	0	0	4,309,009	2,828,133
Total functional expenses	\$ 5,016,281	\$ 9,014,357	\$ 12,216,220	\$ 26,246,858	\$ 2,391,401	\$ 978,710	\$ 3,370,111	\$ 29,616,969	\$ 27,287,163

The accompanying notes are an integral part of these financial statements.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Change in net assets	\$ 7,973,724	\$ 1,439,581
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	612,405	597,129
Other changes in net assets	0	16,200,169
Net (gain) loss on long-term investments	(551,829)	(750,161)
Net (gain) loss on disposition of assets	3,630	1,137,955
Provision for doubtful accounts	278,539	326,025
Other changes in assets and liabilities:		
(Increase) decrease in grants receivable	(462,863)	263,287
(Increase) decrease in pledges receivable	(505,771)	(140,861)
(Increase) decrease in notes receivable-RNDC	0	1,232,166
(Increase) decrease in notes receivable	2,512,739	(13,568,477)
(Increase) decrease in prepaid expenses	58,008	(115,622)
(Increase) decrease in other assets	(22,723)	(18,855)
(Increase) decrease in designated assets	(234,319)	(79,115)
(Increase) decrease in investment in joint ventures	(40,636)	(30,638)
(Increase) decrease in RNDC's general and limited partnerships' assets	(2,643,820)	(59,349,383)
Increase (decrease) in accounts payable	47,910	236,578
Increase (decrease) in accrued expenses	135,181	(206,002)
Increase (decrease) in other liabilities	437,309	240,624
Increase (decrease) in RNDC's general and limited partnerships' liabilities	(2,261,613)	45,176,247
Net cash (used in) provided by operating activities	<u>5,335,871</u>	<u>(7,409,353)</u>

The accompanying notes are an integral part of these financial statements.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>2014</u>	<u>2013</u>
Cash flows from investing activities:		
Proceeds from sale of investments	\$ 751,831	\$ 1,122,817
Purchase of investments	(508,428)	(1,200,814)
Purchase of fixed assets	(2,539,681)	(4,943,321)
Disposition of fixed assets	<u>0</u>	<u>80,000</u>
Net cash (used in) provided by investing activities	<u>(2,296,278)</u>	<u>(4,941,318)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	2,568,997	16,511,223
Principal payments on long-term debt	<u>(5,567,692)</u>	<u>(2,368,407)</u>
Net cash (used in) provided by financing activities	<u>(2,998,695)</u>	<u>14,142,816</u>
Net increase (decrease) in cash and cash equivalents	40,898	1,792,145
Cash and cash equivalents, beginning of year	<u>4,505,590</u>	<u>2,713,445</u>
Cash and cash equivalents, end of year	<u>\$ 4,546,488</u>	<u>\$ 4,505,590</u>
Supplemental disclosure for cash flow purposes:		
Interest paid	<u>\$ 514,667</u>	<u>\$ 547,584</u>

The accompanying notes are an integral part of these financial statements.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - ORGANIZATION:

Volunteers of America of Greater New Orleans, Inc. (VOAGNO) is a nonprofit spiritually based human services organization recognized as a church, incorporated in the State of Louisiana. **VOAGNO** provides social services within the Greater New Orleans and Southeast Louisiana areas under a charter from Volunteers of America, Inc., a national nonprofit spiritually based organization providing human services programs, and opportunities for individual and community involvement. **VOAGNO** provides (a) services to children in order to encourage positive development; (b) services to individuals with mental health problems, developmentally disabled and elderly members of the community to foster their independence; and (c) community corrections services, affordable housing and homeless services to promote self-sufficiency for affected individuals. Affiliated organizations controlled by **VOAGNO** include **Community Living Centers, Inc.**, **VOA Development, Inc.**, **VOA Development 2, Inc.**, **Canal Street Single Room Occupancy (SRO) Limited Partnership** and **Renaissance Neighborhood Development Corporation**.

Community Living Centers, Inc. (CLC) is a nonprofit organization incorporated under the laws of the State of Louisiana and sponsored by **VOAGNO**. No capital stock is authorized, issued or outstanding. **CLC** was formed as a 501(c)(3) corporation to acquire an interest in real property and to construct and operate thereon two six-unit group homes under Section 202 of the National Housing Act in order to provide housing for persons developmentally disabled. **CLC** operates FHA Project No. 064-EH036-WHC-NP-L8. The financial statements of **CLC** as of and for the year ended June 30, 2014 were audited by other auditors whose report has been furnished to us.

VOA Development, Inc. is a nonprofit organization incorporated under the laws of the State of Louisiana and sponsored by **VOAGNO**. No capital stock is authorized, issued or outstanding. **VOA Development, Inc.** was formed as a 501(c)(3) corporation to acquire interest in real property. **VOA Development, Inc.** operates a single room occupancy and efficiency housing for the homeless and elderly (**the Project**). All leases between **the Project** and tenants are operating leases. **The Project** consists of eighty-two (82) units. **The Project** qualified and has been allocated low-income housing tax credits pursuant to the Internal Revenue Code, Section 42, which regulates the use of **the Project** as to occupant eligibility and unit gross rent, among other requirements.

VOA Development 2, Inc. is a non-profit organization incorporated under the laws of the State of Louisiana and sponsored by **VOAGNO**. No capital stock is authorized, issued or outstanding. **VOA Development 2, Inc.** was formed as a 501(c)(3) corporation to acquire interest in real property.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - ORGANIZATION, CONTINUED:

Canal Street SRO Limited Partnership (the Project) was formed as a limited partnership under the laws of the State of Louisiana for the purpose of constructing and operating single room occupancy and efficiency housing for the homeless and elderly. All leases between **the Project** and tenants are operating leases. **The Project** consists of seventy (70) units. **The Project** qualified and has been allocated low-income housing tax credits pursuant to the Internal Revenue Code, Section 42, which regulates the use of **the Project** as to occupant eligibility and unit gross rent, among other requirements. The financial statements of **the Project**, which operates on a calendar year-end, are audited by other auditors.

Renaissance Neighborhood Development Corporation (RNDC) is a non-profit corporation organized under the laws of the State of Louisiana exclusively for charitable, religious, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. This includes without limitation the ownership and operation of housing facilities on a nonprofit basis and the provision of housing related services on a nonprofit basis and including for such purposes the making of distributions and contributions to organizations described in Section 501(c)(3) of the Internal Revenue Code and exempt from taxation under Section (a) of the Internal Revenue Code. **RNDC** was formed by Volunteers of America National Services and **Volunteers of America Greater New Orleans, Inc.** to respond to the devastation of Hurricane Katrina so as to construct, rehabilitate or acquire housing in the greater New Orleans area that is affordable to very low, low and moderate income families. Consolidation of **Renaissance Neighborhood Development Corporation (RNDC)** into **Volunteers of America Greater New Orleans**, an entity with non-voting control and economic interest over **RNDC**, was accomplished in the 2013 fiscal year in the following manner: 1) the ownership criteria was met by establishing a 51-49 *non-voting* majority interest reflected in the by-laws, and 2) by establishing economic interest based on the fact that the housing department is headquartered within **Volunteers of America Greater New Orleans**, with full hiring, firing and other budgetary authority with the benefit impacting the Greater New Orleans and outlying regional areas.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - ORGANIZATION, CONTINUED:

The consolidated financial statements include the accounts of **Volunteers of America of Greater New Orleans, Inc.**, its wholly owned non-profit subsidiaries, **Community Living Centers, Inc.**, **VOA Development, Inc.** and **VOA Development 2, Inc.** and the for-profit entity **Canal Street SRO Limited Partnership**, and **Renaissance Neighborhood Development Corporation** in which **Volunteers of America of Greater New Orleans, Inc.**, has a controlling interest, will be collectively referred to as **the Organization**. All material inter-company transactions have been eliminated.

The Organization operates and maintains programs to meet a wide variety of needs for individuals in **the Organization's** service areas. These programs provide numerous social services which are describes as follows:

Encouraging Positive Development

The Organization provides services to promote healthy development of children, adolescent and their families through a continuum of services from early prevention to intensive intervention approaches through the following program:

Children and Youth Services: The program provides services to children with developmental disabilities from birth to age eighteen (18) to enhance their functioning by living in small, typical homes in the community. The program also provides young women with viable positive alternatives when facing single parenthood by providing counseling for pregnant young women and providing adoption services.

Fostering Independence

The Organization provides services designed to provide care when needed, while supporting independence to the degree possible. These services are offered to the elderly and to those individuals with disabilities, mental illness and HIV/AIDS through the following programs:

Disabilities Services: The program serves adults with developmental disabilities and mental illnesses by helping them maintain their own residence in the community and provides training in personal, vocational and social skills and supportive counseling. The program also assist in meeting the medical, employment, financial, recreational and mobilization needs.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - ORGANIZATION, CONTINUED:

Elderly Services: This program fosters independent living with dignity and a sense of self-reliance for the elderly. The program also sponsors educational and health related activities, homemaker services, repairs on wheels and elderly protective services.

Mental Health Services: The program provides pre-vocational and vocational placement, employment support and a day treatment program placement for adults with developmental disabilities in an effort to enhance their self-esteem and functional productivity in a small, community based residential setting.

Promoting Self-Sufficiency

The Organization provides services to promote self-sufficiency to those who have experienced homelessness or other personal crisis including chemical dependency, involvement with the corrections system and unemployment, through the following programs:

Correctional Services: The program re-establishes family relationships and support and gainful employment and drug abstinence for men and women that are being released from federal institutions.

Employment and Training Services: The program identifies, facilitates and coordinates training to ensure that staff members are equipped to perform their jobs.

Homeless Services: The program provides shelter for homeless individuals.

Housing Services: The program provides housing management services for multi-family housing complexes.

Management and General

This program facilitates and coordinates the operations of **the Organization** and is used to fund operations of **the Organization** that are not directly covered by specific programs administered by **the Organization**.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 - ORGANIZATION, CONTINUED:

Fundraising

This program facilitates and coordinates the fundraising activities of **the Organization**. Its activities primarily consist of fundraising activities and sales of automobiles donated to **the Organization**.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of **the Organization** conform to accounting principles generally accepted in the United States of America as applicable to voluntary health and welfare organizations. The more significant accounting policies of **the Organization** are described as follows:

Principles of Consolidation

The consolidated financial statements include the accounts of **Volunteers of America of Greater New Orleans, Inc.**, its wholly owned non-profit subsidiaries, **Community Living Centers, Inc.**, **VOA Development, Inc.** and **VOA Development 2, Inc.** and the for-profit entity **Canal Street SRO Limited Partnership** and **Renaissance Neighborhood Development Corporation** in which **Volunteers of America of Greater New Orleans, Inc.**, has a controlling interest and will be collectively referred to as **the Organization**. All material inter-company transactions have been eliminated.

Property and Equipment

Land, buildings, building improvements, vehicles, furniture and equipment purchased by **the Organization** are recorded at cost. **The Organization** follows the practice of capitalizing all expenditures for land, buildings and equipment over \$2,500. The fair value of donated fixed assets is similarly capitalized. Depreciation and amortization is computed using the straight-line method based upon the following estimated useful lives of the assets:

Building and improvements	15 – 30 years
Vehicles	5 years
Furnishings and equipment	5 – 8 years

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements or otherwise designated or restricted. The carrying amount approximates fair value because of the short-term maturity of those instruments.

Contributions

Contributions are generally recorded only upon receipt, unless evidence or an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for use unless specifically restricted by the donor.

In accordance with *Statement of Financial Accounting Standards (SFAS) No. 116 "Accounting for Contributions Received and Contributions Made"*, (now codified in FASB ASC 958, *Not-for-Profit Entities*) contributions received are recorded as unrestricted, temporarily restricted or permanently restricted depending on the existence of donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified or released to unrestricted net assets.

In accordance with *SFAS No. 136 "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others"*, (now codified in FASB ASC 958, *Not-for-Profit Entities*) **the Organization** recognizes gross revenues earned and the related expenses associated with its Direct Mail and Enterprise Auto programs through its national affiliate.

Contributed Services

The Organization recognizes contribution revenue for certain services received at the fair value of those services provided those services create or enhance non-financial assets or require specialized skills which are provided by individuals possessing those skills and would typically needed to be purchased if not provided by donation.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Designated and Restricted Assets

Designated and restricted assets represent the total of all assets that are encumbered by donor restrictions, legal agreements, Board of Directors' designation or otherwise unavailable for general use by **the Organization**. This category generally includes assets such as client or custodial funds, escrow and reserve account funds, temporarily or permanently restricted assets and securities that are pledged and held by the lender as collateral for financing.

Net Assets

The Organization classifies net assets into three categories: unrestricted, temporarily restricted and permanently restricted net assets. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary donor imposed time or purpose restrictions. Temporary restricted net assets become unrestricted and are reported in the statement of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned in the contributions. At June 30, 2014, **the Organization** had no temporarily or permanently restricted net assets.

Operations

The Organization defines operations as all program and supporting service activities undertaken. Revenues that result from these activities and their related expenses are reported as operations. Gains, losses and other revenue that result from ancillary activities, such as investing liquid assets and disposing of fixed or other assets are reported as non-operating.

Income Taxes

Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, **the Organization** is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). **The Organization** is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax exempt entity.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Income Taxes, continued

The Organization must also assess whether it has any tax positions associated with unrelated business income subject to income tax. There was no material unrelated business income in 2014 and accordingly, no tax expense was incurred during the year ended June 30, 2014. If for some reason the tax status is challenged in the future, the 2011, 2012 and 2013 tax years are open for examination by the IRS.

Under the provisions of the Internal Revenue Code, the Partnerships are taxable entities and accordingly, the net income or (loss) of the Partnerships are included in the tax returns of the partners.

Investments

Investments in all debt and equity securities with readily determinable fair values are reported at their fair value based on quoted market prices (*SFAS 157 Level 1*). All other investments are reported at historical cost, if purchased, or, if contributed, at fair value at the date of contribution.

Investment income, gains and losses are reported as increases or decreases in unrestricted net assets unless a donor or law temporarily or permanently restrict their use.

Public Support and Revenue

A significant portion of support for **the Organization** is provided by fees from Federal, State and Local governmental agencies. **The Organization** relies on continued funding in order to provide ongoing and continued programs.

Summary Financial Information for 2013

The financial statements and supplementary information contain certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with **the Organization's** financial statements and related notes or the financial statements for the year ended June 30, 2013, from which the summarized information was derived.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

Allocation of Expenses

The cost of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the various functions.

Use of Estimates in Financial Statement Preparation

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain 2013 amounts have been reclassified to conform to the 2014 financial statement presentation.

NOTE 3 - GRANTS RECEIVABLE:

At June 30, 2014, amounts included in grants receivable were as follows:

Grants receivable	\$2,560,853
Less: Allowance for doubtful accounts	<u>(84,909)</u>
Grants receivable, net	<u>\$2,475,944</u>

The following represents an analysis of the allowance for doubtful accounts for the year ended June 30, 2014:

Balance, beginning of year	\$ 182,770
Provision for doubtful accounts	278,539
Charge-offs	<u>(376,400)</u>
Balance, end of year	<u>\$ 84,909</u>

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 4 - PLEDGES RECEIVABLE:

At June 30, 2014, amounts included in pledges receivable were as follows:

Pledges receivable	\$1,274,388
Less: Discount of long-term pledges	(111,821)
Less: Allowance for doubtful accounts	<u>(299,756)</u>
Pledges receivable, net	<u>\$ 862,811</u>

Amounts due in the years ended June 30,

2015	\$ 401,686
2016	280,768
2017	260,150
2018	189,110
2019	128,800
Thereafter	<u>13,874</u>

Total	<u>\$1,274,388</u>
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NOTE 5 - NOTE RECEIVABLE-INVESTMENT PARTNER:

At June 30, 2014, note receivable-investment partner consisted of amounts due from ECIC New Market Partners XLVII Investment Fund, LLC bearing interest at 3.18% which originated through the project financing of 1770 Tchoupitoulas, LLC in July of 2012.

Schedule annual principal payments due from ESLIC New Market Partners XLVII Investment Fund, LLC on the note receivable subsequent to June 30, 2014 are as follows:

2015	\$ -0-
2016	-0-
2017	-0-
2018	21,710
2019	321,600
Thereafter	<u>10,712,428</u>
Total	<u>\$11,055,738</u>

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 6 - INVESTMENTS:

Investments at June 30, 2014 are stated at fair value and summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Equities	\$2,279,818	\$3,558,414	\$3,558,414
Bonds	<u>1,812,535</u>	<u>1,870,694</u>	<u>1,870,694</u>
Total	<u>\$4,092,353</u>	<u>\$5,429,108</u>	<u>\$5,429,108</u>

The following summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2014:

	<u>Unrestricted</u>
Interest Income	\$ 530,227
Investment fees	<u>(56,905)</u>
	473,322
Gains	<u>551,829</u>
Total	<u>\$1,025,151</u>

The primary investment objective of **the Organization** is to preserve and protect its assets by earning a total return appropriate to time horizon, liquidity needs and risk tolerance. To accomplish this objective, **the Organization** utilizes portfolios of equity securities, fixed income securities and short-term investments.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 7 - FIXED ASSETS:

At June 30, 2014, fixed assets consist of the following:

Land	\$ 4,775,476
Buildings and improvements	13,013,986
Vehicles	424,436
Furnishings and equipment	<u>1,596,026</u>
	19,809,924
Less: Accumulated depreciation	<u>(5,503,211)</u>
Total fixed assets, net	<u>\$14,306,713</u>

Depreciation expense was \$597,129 for the year ended June 30, 2014.

NOTE 8 - DESIGNATED AND RESTRICTED ASSETS:

The Organization has agreements with agencies that require funded reserves and the restriction of certain deposits which are custodial in nature. At June 30, 2014, designated and restricted assets were as follows:

Custodial funds	\$164,020
Security deposits	9,799
Replacement reserve funds	301,866
Escrow deposits	<u>2,136</u>
Total	<u>\$477,821</u>

NOTE 9 - RNDC's GENERAL AND LIMITED PARTNERSHIPS' ASSETS:

At June 30, 2014, general and limited partnerships' assets consist of the following:

Cash and cash equivalents	\$ 1,002,579
Accounts receivable	32,467
Prepaid expenses	281,979
Other assets	339,746
Restricted and designated assets	2,265,229
Land, buildings and other capitalized costs	<u>57,771,203</u>
Total	<u>\$61,693,203</u>

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 10 - MORTGAGES AND NOTES PAYABLE:

The following is a summary of mortgages and notes payable at June 30, 2014:

Mortgages payable to banks and the U.S. Department of Housing and Urban Development secured by land and buildings with interest rates ranging from 4.25% to 9.25%, payable in monthly installments ranging from \$3,622 to \$15,593 with maturity dates ranging from August, 2010 to June, 2024	\$1,999,398
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Mortgages payable to foundations secured by land and buildings with an interest rate of 5.5% payable in annual installments ranging from \$803 to \$1,692 maturing in February, 2019	68,973
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Notes payable to banks secured by vehicles with interest rates ranging from 0% to 7.9% payable in monthly installments ranging from \$462 to \$550 with maturity dates ranging from August to May, 2008	191,056
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Note payable to Volunteers of America unsecured, with no interest, payable in monthly installments of \$5,084 with a maturity date of February, 2018	228,742
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**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 10 - MORTGAGES AND NOTES PAYABLE, CONTINUED:

Four (4) notes payable to Volunteers of America National Services, unsecured, with interest rates ranging from 0% to prime plus 1% with maturity dates ranging from the earlier of the date on which the borrower receives pre-development financing or closes on the real estate and construction and equity financing	\$ 975,000
Notes payable to a financial institution secured by land and buildings (Tchoupitoulas) with an interest rate equal to the London Interbank Offered Rate (LIBOR) plus 3%, maturing from Jan 2014 through July 2019	3,115,643
Note payable to a financial institution secured by land and buildings (1100 Tulane Ave) with an interest rate equal to 4.75% maturing on June 15, 2015	2,415,000
Note payable to the State of Louisiana, Division of Administration, Office of Community Development in connection with the acquisition, ownership, development, rehabilitation, construction and leasing of those certain buildings and other improvements located at 1770 and 1744-46 Tchoupitoulas Street with an interest rate of 1% per annum maturing on July 2, 2037	2,476,443
Note payable to Renaissance Neighborhood Development Corporation with an interest rate of 0% with no stated terms of repayment	74,499
Note payable to a nonprofit corporation with an interest rate of 0% maturing in December 2014 for Tulane Avenue	96,037

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 10 - MORTGAGES AND NOTES PAYABLE, CONTINUED:

Note payable to Volunteers of America National Services, unsecured, with an interest rate of 0% with annual payments of \$5,433 due from net cash flow as defined by the promissory note beginning on May 1, 2016 and the remaining balance due at maturity on May 1, 2015	\$ 163,000
Note payable to Volunteers of America North Louisiana with an interest rate of 1% due at maturity on November 12, 2015	200,000
Note payable to a not-for-profit agency with an interest rate of 0% with no stated terms of repayment	100,000
Note payable to a foundation with an interest rate of 2% With the balance due at maturity on November 21, 2015	250,000
Note payable to Enterprise Community Loan Fund, Inc. With an interest rate of 6.0% maturing on November 30, 2016	<u>1,564,632</u>
Total	<u>\$13,918,423</u>

Scheduled principal payments due on the above mortgages and notes payable subsequent to June 30, 2014 are as follows:

2015	\$ 4,625,771
2016	528,371
2017	2,040,635
2018	491,059
2019 and thereafter	3,873,316
Thereafter	<u>2,359,271</u>
Total	<u>\$13,918,423</u>

Interest expense for the years ended June 30, 2014 was \$514,667.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 11 - RNDC's GENERAL AND LIMITED PARTNERSHIPS' LIABILITIES:

At June 30, 2014, general and limited partnerships' liabilities consists of the following:

Accounts payable	\$ 334,117
Accrued liabilities	181,433
Other liabilities	319,122
Mortgages and notes payable	<u>42,079,962</u>
Total	<u>\$42,914,634</u>

NOTE 12 - RELATED PARTY TRANSACTIONS:

The Organization is affiliated with Volunteers of America, Inc. which provides supporting services to **the Organization** for a fee. Affiliate fees for the year ended June 30, 2014 was \$393,497. Amounts payable to Volunteers of America, Inc., at June 30, 2014 was \$34,074. Additionally, at June 30, 2014, **the Organization** had a note payable to Volunteers of America, Inc. in the amount of \$228,742.

NOTE 13 - LEASES:

The Organization has several operating leases for the rental of office space which are non-cancelable over the next four (4) years and several operating leases for the rental of office space on a month-to-month basis.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2014 and in the aggregate are as follows:

2015	\$ 366,260
2016	120,510
2017	124,125
2018	127,849
2019	135,635
Thereafter	<u>1,377,932</u>
Total	<u>\$2,252,311</u>

Rental expense under month-to-month and non-cancelable operating leases for the year ended June 30, 2014 was \$452,233.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 14 - PENSION PLAN FOR MINISTERS:

The Organization participates in a non-contributory defined benefit pension and retirement plan. The plan is administered through a commercial insurance company and covers all ministers commissioned through December 31, 1999. Pension plan expense was \$131,998 for the year ended June 30, 2014.

NOTE 15 - EMPLOYEE BENEFIT PLANS:

The Organization offers a Section 403(b) plan to all eligible employees. Employees are eligible to participate after completing twelve (12) months of service. Under the terms of the plan, **the Organization** contributes 3.5% of yearly employee compensation and matches an additional 1.0% of employee contributions up to a maximum contribution of 4.5% of yearly employee compensation. **The Organization** contributed \$220,721 for the year ended June 30, 2014.

NOTE 16 - RNDC's GENERAL AND LIMITED PARTNERSHIPS' REVENUE:

At June 30, 2014, general and limited partnerships' revenue consists of the following:

Contributions	\$ 7,316
Rental income	3,159,582
Other income	<u>271,444</u>
Total	<u>\$3,438,342</u>

NOTE 17- FAIR VALUES OF FINANCIAL INSTRUMENTS:

Cash and Cash Equivalents

The carrying value approximates fair value due to the short-term nature of the instruments.

Investments

The fair value of investments has been determined using quoted market prices for all investments.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 17 - FAIR VALUES OF FINANCIAL INSTRUMENTS, CONTINUED:

Grants Receivable

The carrying amount approximates the fair value.

Accounts Payable

The carrying amounts have been determined to approximate fair value.

Mortgages and Notes Payable

The carrying amounts have been determined to approximate fair value.

The carrying amounts and estimated fair value of **the Organization's** financial instruments as of June 30, 2014 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
<u>Financial Assets</u>		
Cash and cash equivalents	\$ 4,546,488	\$ 4,546,488
Investments	5,429,108	5,429,108
Grants receivable	<u>2,475,944</u>	<u>2,475,944</u>
Total	<u>\$12,451,540</u>	<u>\$12,451,540</u>
<u>Financial Liabilities</u>		
Accounts payable	\$ 747,365	\$ 747,365
Mortgages and notes payable	<u>13,918,423</u>	<u>13,918,423</u>
Total	<u>\$14,665,788</u>	<u>\$14,665,788</u>

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 18 - CONTINGENCIES:

The Organization receives fees and grants from Federal, State and Local governmental agencies. The programs sponsored by these agencies are subject to discretionary audits by the granting agencies. There have been no audits by granting agencies during the 2014 fiscal year and management does not anticipate any adjustments as a result of future audits. Any adjustments from an audit performed by a granting agency would flow through the consolidated financial statements during the year of the audit as a change in accounting estimate.

The Organization is defendant in various lawsuits. However, in the opinion of management based on consultation with legal counsel, the amount of potential loss if any, will not materially impact these consolidated financial statements.

NOTE 19 - OTHER CHANGES IN NET ASSETS:

Other changes in net assets primarily consist of amounts related to the acquisition of the Wisdom Manor and Bayou Cane Apartments.

NOTE 20 - SUBSEQUENT EVENTS:

The Organization is required to evaluate events or transactions that may occur after the consolidated statement of financial position date for potential recognition or disclosure in the consolidated financial statements. **The Organization** performed such an evaluation through December 12, 2014, the date which the consolidated financial statements were available to be issued, and noted no subsequent event or transaction that occurred after the consolidated statement of financial position date requiring recognition or disclosure:

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 21 - MANAGEMENT AND GENERAL - MISCELLANEOUS EXPENSES:

Volunteers of America, Inc., the National organization, for the purposes of consolidating over forty (40) affiliates nation-wide, provides guidance to its affiliates regarding the classification and presentation of several types of expenses. Based on that guidance, included in management and general miscellaneous expenses of **the Organization** for the year ended June 30, 2014 are the following:

Professional memberships	\$28,977
Bank fees	<u>23,787</u>
Total	<u>\$52,764</u>

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014**

<u>Federal Grantor/Pass-through Entity/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency Number</u>	<u>Activity</u>
U.S. Department of Agriculture and Rural Development			
Direct Awards:			
USDA Home Preservation Grant	10.433	22-052-720709750-002	\$ <u>13,840</u>
Total U.S Department of Agriculture and Rural Development			<u>13,840</u>
U.S. Department of Housing and Urban Development			
Direct Awards:			
Supportive Housing Program	14.235	LA0124-L6H061205	113,143
Supportive Housing Program	14.235	LA0076-L6H031204	557,247
Supportive Housing Program	14.235	LA0076-L6H031204	443,304
Supportive Housing Program	14.235	LA0122-L6H061205	166,183
Supportive Housing Program	14.235	LA0121-L6H061205	330,754
Supportive Housing Program	14.235	LA0119-L6H061205	202,231
Supportive Housing Program	14.235	LA0125-L6H061205	45,188
Supportive Housing Program	14.235	LA0132-L6H061205	56,199
Supportive Housing Program	14.235	LA0177-B6H061000/L6H061201	37,664
Supportive Housing Program	14.235	LA0187-B6H061100/L6H061201	<u>80,815</u>
Subtotal - Direct Awards			<u>2,032,728</u>
Pass-through Awards:			
Volunteers of America, Inc.			
Service Coordination Grant	14.191	LA48C95001	93,745
State of Louisiana			
Community Development Block Grant	14.218	CFMS 699442	231,512
Community Development Block Grant	14.218	MIS600757147	206,913
Community Development Block Grant	14.218	MIS600757125	1,546
St. Tammany Parish Government			
Community Development Block Grant	14.218	N/A	107,041
City of Kenner			
Community Development Block Grant	14.218	R 6316.11-1	30,145
Jefferson Parish Government			
Community Development Block Grant	14.218	119932, 121173, 121000	261,416
UNITY for the Homeless			
Supportive Housing Program	14.235	LA0062-B6H031104	110,865
Supportive Housing Program	14.235	LA0196-L6H031202	37,619
State of Louisiana			
Shelter Plus Care	14.238	680982	385,395
UNITY for the Homeless			
Shelter Plus Care	14.238	LA0086-N6H031104-1	<u>164,318</u>
Subtotal - Pass-through Awards			<u>1,630,515</u>
Total U.S Department of Housing and Urban Development			<u>3,663,243</u>
U. S. Department of Labor			
Direct Awards:			
Homeless Veterans Re-integration Program	17.805	HV-23273HV3	<u>298,737</u>
Total U.S Department of Labor			<u>298,737</u>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued
FOR THE YEAR ENDED JUNE 30, 2014

<u>Federal Grantor/Pass-through Entity/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency Number</u>	<u>Activity</u>
U. S. Department of Veteran Affairs			
Direct Awards:			
Homeless Providers Grant and Per Diem Program	64.024	07-807-LA	675,635
Homeless Providers Grant and Per Diem Program	64.024	VA256BO0224, VA256-14-P-0869	147,660
Supportive Services for Veteran Families	64.033	R12-LA-076; R14-LA-038	<u>1,429,333</u>
Total U.S. Department Veteran Affairs			<u>2,252,628</u>
U.S. Department of Education			
Pass-through Awards:			
State of Louisiana			
Twenty-First Century Community Learning Centers	84.287	723483	<u>435,793</u>
Total U.S. Department of Education			<u>435,793</u>
U.S. Department of Health and Human Services			
Pass-through Awards:			
State of Louisiana			
Path Grant /Metro Human Services	93.150	CFMS723808	70,114
Promoting Safe and Stable Families	93.556	CFMS 707618	222,753
HIV Care Formula Grants	93.917	721482	288,136
Prevention Materials Distribution	93.940	721232	16,234
Rental Subsidy Grant/Florida Parish H.S.A.	93.958	CFMS 723417	<u>59,474</u>
Total U.S. Department of Health and Human Services			<u>656,711</u>
U.S. Corporation for National and Community Service			
Direct Awards:			
Retired and Senior Volunteer Program	94.002	13SRWLA001	<u>92,358</u>
Total U.S. Corporation for National and Community Service			<u>92,358</u>
Total Expenditures of Federal Awards			<u>\$ 7,413,310</u>

The above schedule of expenditures of federal awards is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic consolidated financial statements.

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION FOR JUNE 30, 2013**

	<u>Consolidated VOA/GNO, Inc.</u>	<u>Consolidated RNDC</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
<u>ASSETS</u>						
Current assets:						
Cash and cash equivalents	\$ 2,369,802	\$ 2,176,686	\$ 4,546,488	\$ 0	\$ 4,546,488	\$ 4,505,590
Grants receivable, net of allowance for doubtful accounts of \$84,909 at June 30, 2014	2,456,193	19,751	2,475,944	0	2,475,944	2,135,496
Pledges receivable, net discounts and allowance for doubtful accounts of \$299,756 at June 30, 2014	862,811	0	862,811	0	862,811	513,164
Notes receivable-investment partner	0	0	0	0	0	2,378,024
Prepaid expenses	54,319	67,727	122,046	0	122,046	180,054
Other current assets	100,053	0	100,053	0	100,053	77,330
General and limited partnership current assets	0	1,656,771	1,656,771	0	1,656,771	4,358,873
Total current assets	5,843,178	3,920,935	9,764,113	0	9,764,113	14,148,531
Fixed assets:						
Land and buildings	12,808,636	4,980,826	17,789,462	0	17,789,462	15,693,390
Furnishings and equipment	1,913,405	107,057	2,020,462	0	2,020,462	1,767,861
Accumulated depreciation	(5,465,086)	(38,125)	(5,503,211)	0	(5,503,211)	(5,078,184)
General and limited partnership fixed assets, net	0	57,771,203	57,771,203	0	57,771,203	53,519,069
Total fixed assets	9,256,955	62,820,961	72,077,916	0	72,077,916	65,902,136
Other assets:						
Designated and restricted assets	211,056	266,765	477,821	0	477,821	243,502
Long-term investments	5,429,108	0	5,429,108	0	5,429,108	5,120,682
Notes receivable, RNDC	1,242,771	0	1,242,771	(1,242,771)	0	0
Notes receivable-investment partner	0	11,055,738	11,055,738	0	11,055,738	11,190,453
Investment in joint ventures	71,274	0	71,274	0	71,274	30,638
General and limited partnerships' other assets	0	2,565,229	2,565,229	0	2,565,229	1,471,441
Total other assets	6,954,209	13,887,732	20,841,941	(1,242,771)	19,599,170	18,056,716
Total assets	\$ 22,054,342	\$ 80,629,628	\$ 102,683,970	\$ (1,242,771)	\$ 101,441,199	\$ 98,107,383

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION FOR JUNE 30, 2013**

	<u>Consolidated VOA/GNO, Inc.</u>	<u>Consolidated RNDC</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
<u>LIABILITIES AND NET ASSETS</u>						
Current liabilities:						
Accounts payable	\$ 634,239	\$ 113,126	\$ 747,365	\$ 0	\$ 747,365	\$ 699,455
Mortgages and notes payable	246,718	4,379,053	4,625,771	0	4,625,771	6,511,957
Accrued expenses	1,144,398	11,651	1,156,049	0	1,156,049	1,020,868
Other current liabilities	595,090	226,627	821,717	0	821,717	368,119
General and limited partnerships' current liabilities	0	1,254,900	1,254,900	0	1,254,900	3,085,678
Total current liabilities	<u>2,620,445</u>	<u>5,985,357</u>	<u>8,605,802</u>	<u>0</u>	<u>8,605,802</u>	<u>11,686,077</u>
Other liabilities:						
Due to VOA/GNO, Inc.	0	1,242,771	1,242,771	(1,242,771)	0	0
Mortgages and notes payable	2,241,451	7,051,201	9,292,652	0	9,292,652	10,421,450
General and limited partnerships' other liabilities	0	41,659,734	41,659,734	0	41,659,734	42,090,569
Total other liabilities	<u>2,241,451</u>	<u>49,953,706</u>	<u>52,195,157</u>	<u>(1,242,771)</u>	<u>50,952,386</u>	<u>52,512,019</u>
Total liabilities	<u>4,861,896</u>	<u>55,939,063</u>	<u>60,800,959</u>	<u>(1,242,771)</u>	<u>59,558,188</u>	<u>64,198,096</u>
Net Assets:						
Unrestricted net assets	<u>17,192,446</u>	<u>24,690,565</u>	<u>41,883,011</u>	<u>0</u>	<u>41,883,011</u>	<u>33,909,287</u>
Total net assets	<u>17,192,446</u>	<u>24,690,565</u>	<u>41,883,011</u>	<u>0</u>	<u>41,883,011</u>	<u>33,909,287</u>
Total liabilities and net assets	<u>\$ 22,054,342</u>	<u>\$ 80,629,628</u>	<u>\$ 102,683,970</u>	<u>\$ (1,242,771)</u>	<u>\$ 101,441,199</u>	<u>\$ 98,107,383</u>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - VOA/GNO, INC.
JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION FOR JUNE 30, 2013

	VOA/ GNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	Consolidated	2013
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 2,161,875	\$ 96,912	\$ 96,982	\$ 14,033	\$ 2,369,802	\$ 0	\$ 2,369,802	\$ 2,220,074
Grants receivable, net of allowance for doubtful accounts of \$84,909 at June 30, 2014	2,410,719	0	4,923	40,551	2,456,193	0	2,456,193	2,135,496
Pledges receivable, net discounts and allowance for doubtful accounts of \$299,756 at June 30, 2014	862,811	0	0	0	862,811	0	862,811	513,164
Accounts receivable, VOA/GNO, Inc.	0	0	35,885	0	35,885	(35,885)	0	0
Accounts receivable, CLC, Inc.	1,045,066	0	0	0	1,045,066	(1,045,066)	0	0
Accounts receivable, VOA Development, Inc.	80,000	0	0	0	80,000	(80,000)	0	0
Accounts receivable, Limited Partnerships	924,621	0	0	0	924,621	(924,621)	0	0
Interest receivable, Limited Partnerships	0	0	112,014	0	112,014	(112,014)	0	0
Interest receivable, VOA Development	92,508	0	0	0	92,508	(92,508)	0	0
Notes receivable, Limited Partnerships	0	0	354,300	0	354,300	(354,300)	0	0
Notes receivable, VOA Development	591,001	0	0	0	591,001	(591,001)	0	0
Note receivable, CLC, Inc.	20,445	0	0	0	20,445	(20,445)	0	0
Prepaid expenses	37,279	0	5,033	12,007	54,319	0	54,319	123,614
Other current assets	77,932	0	5,926	16,195	100,053	0	100,053	77,330
Total current assets	8,304,257	96,912	615,063	82,786	9,099,018	(3,255,840)	5,843,178	5,069,678
Fixed assets:								
Land and buildings	8,182,752	730,985	1,240,499	2,654,400	12,808,636	0	12,808,636	12,526,855
Furnishings and equipment	1,556,067	62,354	100,797	194,187	1,913,405	0	1,913,405	1,767,861
Accumulated depreciation	(4,133,944)	(280,018)	(82,697)	(968,427)	(5,465,086)	0	(5,465,086)	(5,078,184)
Total fixed assets	5,604,875	513,321	1,258,599	1,880,160	9,256,955	0	9,256,955	9,216,532
Other assets:								
Designated and restricted assets	158,899	47,036	2,274	2,847	211,056	0	211,056	243,502
Long-term investments	5,429,108	0	0	0	5,429,108	0	5,429,108	5,120,682
Notes receivable, RNDG	1,242,771	0	0	0	1,242,771	0	1,242,771	1,245,706
Investment in joint ventures	71,274	0	897,423	0	968,697	(897,423)	71,274	30,638
Total other assets	6,902,052	47,036	899,697	2,847	7,851,632	(897,423)	6,954,209	6,640,528
Total assets	\$ 20,811,184	\$ 657,269	\$ 2,773,359	\$ 1,965,793	\$ 26,207,605	\$ (4,153,263)	\$ 22,054,342	\$ 20,926,738

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - VOA/GNO, INC.
JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION FOR JUNE 30, 2013**

	VOA/ GNO, Inc.	CLC, Inc.	VOA Development, Inc.	Limited Partnership (Canal SRO)	Subtotal	Eliminations	Consolidated	2013
<u>LIABILITIES AND NET ASSETS</u>								
Current liabilities:								
Accounts payable	\$ 540,757	\$ 44,224	\$ 7,063	\$ 42,195	\$ 634,239	\$ 0	\$ 634,239	\$ 595,716
Accounts payable, VOA/GNO, Inc.	0	1,045,066	80,000	924,621	2,049,687	(2,049,687)	0	0
Accounts payable, Limited Partnerships	35,885	0	0	0	35,885	(35,885)	0	0
Mortgages and notes payable	229,204	17,514	0	0	246,718	0	246,718	228,774
Note payable, VOA Development, Inc.	0	0	0	180,801	180,801	(180,801)	0	0
Note payable, VOA/GNO, Inc.	0	20,445	591,001	173,499	784,945	(784,945)	0	0
Interest payable, VOA/GNO, Inc.	0	0	92,508	27,023	119,531	(119,531)	0	0
Interest payable, VOA Development, Inc.	0	0	0	84,991	84,991	(84,991)	0	0
Accrued expenses	1,144,398	0	0	0	1,144,398	0	1,144,398	1,020,868
Other current liabilities	583,146	1,401	6,208	4,335	595,090	0	595,090	168,119
Total current liabilities	2,533,390	1,128,650	776,780	1,437,465	5,876,285	(3,255,840)	2,620,445	2,013,477
Other liabilities:								
Mortgages and notes payable	1,970,547	270,904	0	0	2,241,451	0	2,241,451	2,394,332
Total other liabilities	1,970,547	270,904	0	0	2,241,451	0	2,241,451	2,394,332
Total liabilities	4,503,937	1,399,554	776,780	1,437,465	8,117,736	(3,255,840)	4,861,896	4,407,809
Net Assets:								
Unrestricted net assets	16,307,247	(742,285)	1,996,579	528,328	18,089,869	(897,423)	17,192,446	16,518,929
Total net assets	16,307,247	(742,285)	1,996,579	528,328	18,089,869	(897,423)	17,192,446	16,518,929
Total liabilities and net assets	\$ 20,811,184	\$ 657,269	\$ 2,773,359	\$ 1,965,793	\$ 26,207,605	\$ (4,153,263)	\$ 22,054,342	\$ 20,926,738

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - VOA DEVELOPMENT, INC.
JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION FOR JUNE 30, 2013

	VOA Development, Inc.	VOA Development 2, Inc.	Subtotal	Eliminations	Consolidated	2013
<u>ASSETS</u>						
Current assets:						
Cash and cash equivalents	\$ 11,926	\$ 85,056	\$ 96,982	\$ 0	\$ 96,982	\$ 104,900
Grants receivable, net of allowance for doubtful accounts of \$7,931 at June 30, 2014	4,923	0	4,923	0	4,923	17,483
Accounts receivable, VOA/GNO, Inc.	35,885	0	35,885	0	35,885	0
Interest receivable, Limited Partnerships	0	112,014	112,014	0	112,014	96,226
Note receivable, Limited Partnerships	0	354,300	354,300	0	354,300	354,300
Prepaid expenses	5,033	0	5,033	0	5,033	265
Other current assets	5,926	0	5,926	0	5,926	5,926
Total current assets	<u>63,693</u>	<u>551,370</u>	<u>615,063</u>	<u>0</u>	<u>615,063</u>	<u>579,100</u>
Fixed assets:						
Land and buildings	1,240,499	0	1,240,499	0	1,240,499	1,240,499
Furnishings and equipment	100,797	0	100,797	0	100,797	10,975
Accumulated depreciation	(82,697)	0	(82,697)	0	(82,697)	(44,572)
Total fixed assets	<u>1,258,599</u>	<u>0</u>	<u>1,258,599</u>	<u>0</u>	<u>1,258,599</u>	<u>1,206,902</u>
Other assets:						
Designated and restricted assets	2,274	0	2,274	0	2,274	2,480
Investment in joint ventures	0	897,423	897,423	0	897,423	897,423
Total other assets	<u>2,274</u>	<u>897,423</u>	<u>899,697</u>	<u>0</u>	<u>899,697</u>	<u>899,903</u>
Total assets	<u>\$ 1,324,566</u>	<u>\$ 1,448,793</u>	<u>\$ 2,773,359</u>	<u>\$ 0</u>	<u>\$ 2,773,359</u>	<u>\$ 2,685,905</u>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION - VOA DEVELOPMENT, INC.
JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION FOR JUNE 30, 2013**

	<u>VOA Development, Inc.</u>	<u>VOA Development 2, Inc.</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
<u>LIABILITIES AND NET ASSETS</u>						
Current liabilities:						
Accounts payable	\$ 7,063	\$ 0	\$ 7,063	\$ 0	\$ 7,063	\$ 8,520
Accounts payable, VOA/GNO, Inc.	0	80,000	80,000	0	80,000	80,000
Note payable, VOA/GNO, Inc.	417,502	173,499	591,001	0	591,001	591,001
Interest payable, VOA/GNO, Inc.	65,485	27,023	92,508	0	92,508	63,046
Other current liabilities	6,208	0	6,208	0	6,208	62,905
	<u>496,258</u>	<u>280,522</u>	<u>776,780</u>	<u>0</u>	<u>776,780</u>	<u>805,472</u>
Total current liabilities	496,258	280,522	776,780	0	776,780	805,472
Total liabilities	<u>496,258</u>	<u>280,522</u>	<u>776,780</u>	<u>0</u>	<u>776,780</u>	<u>805,472</u>
Net Assets:						
Unrestricted net assets	<u>828,308</u>	<u>1,168,271</u>	<u>1,996,579</u>	<u>0</u>	<u>1,996,579</u>	<u>1,880,433</u>
Total net assets	<u>828,308</u>	<u>1,168,271</u>	<u>1,996,579</u>	<u>0</u>	<u>1,996,579</u>	<u>1,880,433</u>
Total liabilities and net assets	<u>\$ 1,324,566</u>	<u>\$ 1,448,793</u>	<u>\$ 2,773,359</u>	<u>\$ 0</u>	<u>\$ 2,773,359</u>	<u>\$ 2,685,905</u>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Consolidated VOA/GNO, Inc.</u>	<u>Consolidated RNDC</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
<u>REVENUES</u>						
Revenues from operations:						
Public support received directly:						
Contributions	\$ 1,211,402	\$ 1,868,291	\$ 3,079,693	\$ 0	\$ 3,079,693	\$ 782,556
Contributions-General and limited partnerships	0	7,316	7,316	0	7,316	436,410
Special events, net of direct benefit cost of \$53,786 for the year ended June 30, 2014	1,001,586	0	1,001,586	0	1,001,586	748,962
Public support received indirectly:						
United way:						
Allocations	62,082	0	62,082	0	62,082	34,361
Designations	22,453	0	22,453	0	22,453	21,712
Total public support	2,297,523	1,875,607	4,173,130	0	4,173,130	2,024,001
Revenues and grants from governmental agencies	19,871,206	25,259	19,896,465	0	19,896,465	19,967,529
Other revenue:						
Program service fees	2,417,907	311,340	2,729,247	(893,158)	1,836,089	3,144,776
Rental income	239,234	173,893	413,127	(144,665)	268,462	274,471
Tax credit revenue	0	2,775,008	2,775,008	0	2,775,008	0
Other operating income	191,311	5,990	197,301	0	197,301	637,996
General and limited partnerships' revenue	0	3,431,026	3,431,026	0	3,431,026	2,131,924
Total other revenue	2,848,452	6,697,257	9,545,709	(1,037,823)	8,507,886	6,189,167
Total operating revenue	25,017,181	8,598,123	33,615,304	(1,037,823)	32,577,481	28,180,697

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Consolidated VOA/GNO, Inc.</u>	<u>Consolidated RNDC</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
<u>EXPENSES</u>						
Operating expenses:						
Program services:						
Encouraging positive development	\$ 5,016,281	\$ 0	\$ 5,016,281	\$ 0	\$ 5,016,281	\$ 3,392,301
Fostering independence	9,014,357	0	9,014,357	0	9,014,357	10,897,622
Promoting self-sufficiency	7,238,511	1,706,523	8,945,034	(1,037,823)	7,907,211	6,876,004
Promoting self-sufficiency-General and limited partnerships	0	4,309,009	4,309,009	0	4,309,009	2,828,133
Total program services	<u>21,269,149</u>	<u>6,015,532</u>	<u>27,284,681</u>	<u>(1,037,823)</u>	<u>26,246,858</u>	<u>23,994,060</u>
Supporting services:						
Management and general	2,391,401	0	2,391,401	0	2,391,401	2,296,797
Fundraising	978,710	0	978,710	0	978,710	996,306
Total supporting services	<u>3,370,111</u>	<u>0</u>	<u>3,370,111</u>	<u>0</u>	<u>3,370,111</u>	<u>3,293,103</u>
Affiliate fees:						
Fees paid to national organization	393,497	0	393,497	0	393,497	367,551
Total affiliate fees	<u>393,497</u>	<u>0</u>	<u>393,497</u>	<u>0</u>	<u>393,497</u>	<u>367,551</u>
Total operating expenses	<u>25,032,757</u>	<u>6,015,532</u>	<u>31,048,289</u>	<u>(1,037,823)</u>	<u>30,010,466</u>	<u>27,654,714</u>
Excess (deficit) from operations	<u>(15,576)</u>	<u>2,582,591</u>	<u>2,567,015</u>	<u>0</u>	<u>2,567,015</u>	<u>525,983</u>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Consolidated VOA/GNO, Inc.</u>	<u>Consolidated RNDC</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
<u>OTHER ACTIVITIES</u>						
Non-operating gains (losses) and other revenue:						
Interest and dividend income	\$ 79,396	\$ 393,926	\$ 473,322	\$ 0	\$ 473,322	\$ 89,079
Gain (loss) on disposition of assets	(3,630)	0	(3,630)	0	(3,630)	(25,265)
Gain (loss) on investments	551,829	0	551,829	0	551,829	750,161
Other non-operating gains (losses)	35,016	0	35,016	0	35,016	61,213
Other activities-General and limited partnerships	0	(120)	(120)	0	(120)	38,410
Surplus (deficit) from other activities	662,611	393,806	1,056,417	0	1,056,417	913,598
Change in net assets from operations	647,035	2,976,397	3,623,432	0	3,623,432	1,439,581
Other changes in net assets	26,482	29,650	56,132	0	56,132	(219,832)
Other changes in net assets-General and limited partnerships	0	4,294,160	4,294,160	0	4,294,160	16,420,001
Change in net assets	673,517	7,300,207	7,973,724	0	7,973,724	17,639,750
Net assets, beginning of year	16,518,929	17,390,358	33,909,287	0	33,909,287	16,269,537
Net assets, end of year	<u>\$ 17,192,446</u>	<u>\$ 24,690,565</u>	<u>\$ 41,883,011</u>	<u>\$ 0</u>	<u>\$ 41,883,011</u>	<u>\$ 33,909,287</u>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES-VOA/GNO, INC.
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>VOA/GNO, Inc.</u>	<u>CLC, Inc.</u>	<u>VOA Development, Inc.</u>	<u>Limited Partnership (Canal SRO)</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
<u>REVENUES</u>								
Revenues from operations:								
Public support received directly:								
Contributions	\$ 1,211,402	\$ 0	\$ 0	\$ 0	\$ 1,211,402	\$ 0	\$ 1,211,402	\$ 882,556
Special events, net of direct benefit cost of \$53,786 for the year ended June 30, 2014	1,001,586	0	0	0	1,001,586	0	1,001,586	748,962
Legacies and bequests	0	0	0	0	0	0	0	0
Public support received indirectly:								
United way:								
Allocations	62,082	0	0	0	62,082	0	62,082	34,361
Designations	22,453	0	0	0	22,453	0	22,453	21,712
Total public support	2,297,523	0	0	0	2,297,523	0	2,297,523	1,687,591
Revenues and grants from governmental agencies	19,139,140	173,771	321,039	237,256	19,871,206	0	19,871,206	19,967,529
Other revenue:								
Program service fees	2,695,121	0	0		2,695,121	(277,214)	2,417,907	909,840
Rental income	873	10,164	119,597	118,764	249,398	(10,164)	239,234	293,971
Other operating income	63,483	0	89,231	68,059	220,773	(29,462)	191,311	867,780
Total other revenue	2,759,477	10,164	208,828	186,823	3,165,292	(316,840)	2,848,452	2,071,591
Total operating revenue	24,196,140	183,935	529,867	424,079	25,334,021	(316,840)	25,017,181	23,726,711

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES-VOA/GNO, INC.
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>VOA/GNO, Inc.</u>	<u>CLC, Inc.</u>	<u>VOA Development, Inc.</u>	<u>Limited Partnership (Canal SRO)</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
<u>EXPENSES</u>								
Operating expenses:								
Program services:								
Encouraging positive development	\$ 5,016,281	\$ 0	\$ 0	\$ 0	\$ 5,016,281	\$ 0	\$ 5,016,281	\$ 3,392,301
Fostering independence	8,828,733	187,232	8,556	0	9,024,521	(10,164)	9,014,357	10,897,622
Promoting self-sufficiency	6,593,460	0	421,449	546,536	7,561,445	(322,934)	7,238,511	6,403,196
Total program services	20,438,474	187,232	430,005	546,536	21,602,247	(333,098)	21,269,149	20,693,119
Supporting services:								
Management and general	2,391,401	0	0	0	2,391,401	0	2,391,401	2,296,797
Fundraising	978,710	0	0	0	978,710	0	978,710	1,015,806
Total supporting services	3,370,111	0	0	0	3,370,111	0	3,370,111	3,312,603
Affiliate fees:								
Fees paid to national organization	393,497	0	0	0	393,497	0	393,497	367,551
Total affiliate fees	393,497	0	0	0	393,497	0	393,497	367,551
Total operating expenses	24,202,082	187,232	430,005	546,536	25,365,855	(333,098)	25,032,757	24,373,273
Excess (deficit) from operations	(5,942)	(3,297)	99,862	(122,457)	(31,834)	16,258	(15,576)	(646,562)

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES-VOA/GNO, INC.
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>VOA/GNO, Inc.</u>	<u>CLC, Inc.</u>	<u>VOA Development, Inc.</u>	<u>Limited Partnership (Canal SRO)</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
<u>OTHER ACTIVITIES</u>								
Non-operating gains (losses) and other revenue:								
Interest and dividend income	\$ 79,315	\$ 81	\$ 16,258	\$ 0	\$ 95,654	\$ (16,258)	\$ 79,396	\$ 89,079
Gain (loss) on disposition of assets	18,500	(337)	0	(21,793)	(3,630)	0	(3,630)	(25,265)
Gain (loss) on investments	551,829	0	0	0	551,829	0	551,829	750,161
Other non-operating gains (losses)	35,016	0	0	0	35,016	0	35,016	61,213
Surplus (deficit) from other activities	684,660	(256)	16,258	(21,793)	678,869	(16,258)	662,611	875,188
Change in net assets from operations	678,718	(3,553)	116,120	(144,250)	647,035	0	647,035	228,626
Other changes in net assets	0	26,456	26		26,482	0	26,482	20,767
Change in net assets	678,718	22,903	116,146	(144,250)	673,517	0	673,517	249,393
Net assets, beginning of year	15,628,529	(765,188)	1,880,433	672,578	17,416,352	(897,423)	16,518,929	16,269,536
Net assets, end of year	\$ 16,307,247	\$ (742,285)	\$ 1,996,579	\$ 528,328	\$ 18,089,869	\$ (897,423)	\$ 17,192,446	\$ 16,518,929

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES - VOA DEVELOPMENT, INC.
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>VOA Development, Inc.</u>	<u>VOA Development 2, Inc.</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
<u>REVENUES</u>						
Revenues from operations:						
Public support received directly:						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 76,250
Total public support	0	0	0	0	0	76,250
Revenues and grants from governmental agencies	321,039	0	321,039	0	321,039	227,537
Other revenue:						
Rental income	119,597	0	119,597	0	119,597	164,984
Other operating income	89,231	0	89,231	0	89,231	7,320
Total other revenue	208,828	0	208,828	0	208,828	172,304
Total operating revenue	529,867	0	529,867	0	529,867	476,091
<u>EXPENSES</u>						
Operating expenses:						
Program services:						
Fostering independence	0	8,556	8,556	0	8,556	8,678
Promoting self-sufficiency	421,449	0	421,449	0	421,449	514,133
Total program services	421,449	8,556	430,005	0	430,005	522,811
Total operating expenses	421,449	8,556	430,005	0	430,005	522,811
Excess (deficit) from operations	108,418	(8,556)	99,862	0	99,862	(46,720)

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES - VOA DEVELOPMENT, INC.
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>VOA Development, Inc.</u>	<u>VOA Development 2, Inc.</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
<u>OTHER ACTIVITIES</u>						
Non-operating gains (losses) and other revenue:						
Interest and dividend income	\$ 0	\$ 16,258	\$ 16,258	\$ 0	\$ 16,258	\$ 15,883
Gain (loss) on investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Surplus (deficit) from other activities	<u>0</u>	<u>16,258</u>	<u>16,258</u>	<u>0</u>	<u>16,258</u>	<u>15,883</u>
Change in net assets	108,418	7,702	116,120	0	116,120	(30,837)
Other changes in net assets	0	26	26	0	26	4,325
Net assets, beginning of year	<u>719,890</u>	<u>1,160,543</u>	<u>1,880,433</u>	<u>0</u>	<u>1,880,433</u>	<u>1,906,945</u>
Net assets, end of year	<u>\$ 828,308</u>	<u>\$ 1,168,271</u>	<u>\$ 1,996,579</u>	<u>\$ 0</u>	<u>\$ 1,996,579</u>	<u>\$ 1,880,433</u>

See Independent Auditors' Report on Supplementary Information.

VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013

	Consolidated VOA/GNO, Inc.	Consolidated RNDC	Subtotal	Eliminations	Consolidated	2013
Salaries	\$ 12,230,476	\$ 0	\$ 12,230,476	\$ 0	\$ 12,230,476	\$ 11,860,876
Pension	352,720	0	352,720	0	352,720	382,334
Other employee benefits	375,779	0	375,779	0	375,779	597,211
Payroll taxes	1,027,264	0	1,027,264	0	1,027,264	1,007,895
Legal fees	53,777	23,104	76,881	0	76,881	79,136
Accounting fees	127,288	3,236	130,524	0	130,524	55,874
Other professional fees	2,711,765	992,855	3,704,620	(893,158)	2,811,462	2,504,419
Supplies	1,117,304	3,364	1,120,668	0	1,120,668	801,178
Telecommunications	275,396	1,793	277,189	0	277,189	278,666
Postage	22,534	62	22,596	0	22,596	25,815
Occupancy	1,761,054	141,250	1,902,304	(144,665)	1,757,639	1,457,001
Interest	114,657	400,010	514,667	0	514,667	547,584
Insurance	554,667	58,314	612,981	0	612,981	570,257
Equipment rental and maintenance	152,487	21,923	174,410	0	174,410	189,638
Printing and publications	63,390	600	63,990	0	63,990	83,376
Travel and transportation	423,524	1,633	425,157	0	425,157	416,659
Conferences and meetings	114,184	0	114,184	0	114,184	114,940
Specific assistance to individuals	2,168,231	0	2,168,231	0	2,168,231	2,379,933
Other	418,484	20,254	438,738	0	438,738	509,109
Depreciation	574,279	38,125	612,404	0	612,404	597,129
Limited and general partnerships' expenses	0	4,309,009	4,309,009	0	4,309,009	2,828,133
Total functional expenses	\$ 24,639,260	\$ 6,015,532	\$ 30,654,792	\$ (1,037,823)	\$ 29,616,969	\$ 27,287,163

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES**
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - VOAGNO, INC.
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013

	<u>VOA/GNO, Inc.</u>	<u>CLC, Inc.</u>	<u>VOA Development, Inc.</u>	<u>Limited Partnerships (Canal SRO)</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
Salaries	\$ 12,220,646	\$ 9,830	\$ 0	\$ 0	\$ 12,230,476	\$ 0	\$ 12,230,476	\$ 11,860,875
Pension	352,345	375	0	0	352,720	0	352,720	382,333
Other employee benefits	375,068	711	0	0	375,779	0	375,779	597,212
Payroll taxes	1,026,318	946	0	0	1,027,264	0	1,027,264	1,007,895
Legal fees	53,777	0	0	0	53,777	0	53,777	77,337
Accounting fees	117,138	4,965	2,725	2,460	127,288	0	127,288	55,874
Other professional fees	2,352,210	10,477	167,691	181,387	2,711,765	0	2,711,765	2,484,964
Supplies	1,084,896	0	17,469	14,939	1,117,304	0	1,117,304	801,178
Telecommunications	261,903	3,428	4,618	5,447	275,396	0	275,396	278,666
Postage	22,526	0	4	4	22,534	0	22,534	25,815
Occupancy	1,491,114	69,437	80,148	130,519	1,771,218	(10,164)	1,761,054	1,474,501
Interest	89,912	25,189	29,488	15,788	160,377	(45,720)	114,657	99,456
Insurance	402,093	34,750	55,743	62,081	554,667	0	554,667	568,830
Equipment rental and maintenance	108,960	0	19,788	23,739	152,487	0	152,487	189,637
Printing and publications	63,390	0	0	0	63,390	0	63,390	83,377
Travel and transportation	423,128	0	180	216	423,524	0	423,524	416,660
Conferences and meetings	112,894	1,290	0	0	114,184	0	114,184	114,940
Specific assistance to individuals	2,445,445	0	0	0	2,445,445	(277,214)	2,168,231	2,379,933
Other	394,272	0	14,025	10,187	418,484	0	418,484	509,109
Depreciation	410,550	25,834	38,126	99,769	574,279	0	574,279	597,130
Total functional expenses	<u>\$ 23,808,585</u>	<u>\$ 187,232</u>	<u>\$ 430,005</u>	<u>\$ 546,536</u>	<u>\$ 24,972,358</u>	<u>\$ (333,098)</u>	<u>\$ 24,639,260</u>	<u>\$ 24,005,722</u>

See Independent Auditors' Report on Supplementary Information.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - VOA DEVELOPMENT, INC.
FOR THE YEAR ENDED JUNE 30, 2014
WITH SUMMARIZED COMPARATIVE INFORMATION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>VOA Development, Inc.</u>	<u>VOA Development 2, Inc.</u>	<u>Subtotal</u>	<u>Eliminations</u>	<u>Consolidated</u>	<u>2013</u>
Accounting fees	\$ 2,725	\$ 0	\$ 2,725	\$ 0	\$ 2,725	\$ 0
Other professional fees	167,691	0	167,691	0	167,691	182,296
Supplies	17,469	0	17,469	0	17,469	14,986
Telecommunications	4,618	0	4,618	0	4,618	3,901
Postage	4	0	4	0	4	0
Occupancy	80,148	0	80,148	0	80,148	94,660
Interest	20,932	8,556	29,488	0	29,488	8,678
Insurance	55,743	0	55,743	0	55,743	74,605
Equipment rental and maintenance	19,788	0	19,788	0	19,788	20,761
Printing and publications	0	0	0	0	0	16,002
Travel and transportation	180	0	180	0	180	760
Other	14,025	0	14,025	0	14,025	74,191
Depreciation	38,126	0	38,126	0	38,126	31,971
Total functional expenses	<u>\$ 421,449</u>	<u>\$ 8,556</u>	<u>\$ 430,005</u>	<u>\$ 0</u>	<u>\$ 430,005</u>	<u>\$ 522,811</u>

See Independent Auditors' Report on Supplementary Information.



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA
Joseph A. Akanji, CPA

(Retired)
Michael B. Bruno, CPA (2011)

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Volunteers of America of Greater New Orleans, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of **Volunteers of America of Greater New Orleans, Inc. (the Organization)** (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2014, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 12, 2014. Our report contains a reference to other auditors who audited the financial statements Community Living Centers, Inc., and 2901 Dee, Inc., d/b/a Embassy House, wholly owned subsidiaries of **the Organization**, as described in our report on **the Organization's** consolidated financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered **the Organization's** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of **the Organization's** internal control. Accordingly, we do not express an opinion on the effectiveness of **the Organization's** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS, continued**

To the Board of Directors
Volunteers of America of Greater New Orleans, Inc.

Internal Control Over Financial Reporting, continued

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **the Organization's** consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of **the Organization's** internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS, continued**

To the Board of Directors
Volunteers of America of Greater New Orleans, Inc.

Purpose of this Report, continued

Additionally, this report is intended solely for the information and use of management, others within **the Organization**, the Board of Directors, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 12, 2014



Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA
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Joseph A. Akanji, CPA

(Retired)
Michael B. Bruno, CPA (2011)

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors
Volunteers of America of Greater New Orleans, Inc.

Report on Compliance for Each Major Federal Program

We have audited **Volunteers of America of Greater New Orleans Inc.'s (the Organization's)** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **the Organization's** major federal programs for the year ended June 30, 2014. **The Organization's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Our report contains a reference to other auditors who audited the financial statements Community Living Centers, Inc. and 2901 Dee, Inc. d/b/a Embassy House, wholly-owned subsidiaries of **the Organization**, as described in our report on **the Organization's** consolidated financial statements. This report does not include the results of the other auditors' testing of compliance and internal control over compliance that are reported on separately by those auditors.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **the Organization's** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **the Organization's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **the Organization's** compliance.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133, continued**

To the Board of Directors
Volunteers of America of Greater New Orleans, Inc.

Opinion on Each Major Federal Program

In our opinion, **the Organization** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of **the Organization** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **the Organization's** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **the Organization's** internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133, continued**

To the Board of Directors
Volunteers of America of Greater New Orleans, Inc.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Additionally, this report is intended solely for the information and use of management, others within **the Organization**, the Board of Directors, the Louisiana Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS
New Orleans, Louisiana

December 12, 2014

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

Section I – Summary of Independent Auditors' Results

1. Type of report issued on the financial statements: **Unmodified.**
2. Did the audit disclose any material weaknesses in internal control over financial reporting? **No.**
3. Did the audit disclose any significant deficiencies in internal control over financial reporting that are not considered to be material weaknesses? **None reported.**
4. Did the audit disclose any noncompliance which is material to the financial statements? **No.**
5. Did the audit disclose any material weaknesses in internal control over major federal programs? **No.**
6. Did the audit disclose any significant deficiencies in internal control over major programs that are not considered to be material weaknesses? **None reported.**
7. Type of report issued on compliance for major programs: **Unmodified.**
8. Did the audit disclose any audit findings required to be reported in accordance with OMB Circular A-133, Section .510(a)? **No.**
9. Was a management letter issued? **No.**
10. Identification of Major Programs:

<u>CFDA No.</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.235	Supportive Housing Program
14.238	Shelter Plus Care
64.024	VA Homeless Providers Grant and Per Diem Program
64.033	Supportive Services for Veteran Families
84.287	Twenty-First Century Community Learning Centers

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014**

Section I – Summary of Independent Auditors’ Results, continued

- 11. Dollar threshold used to distinguish between Type A and Type B Programs: **\$300,000**
- 12. Is the auditee a “low-risk” auditee, as defined by OMB Circular A-133? **No**.

Section II – Financial Statement Findings

No matters reported.

Section III – Federal Award Findings and Questioned Costs

No matters reported.

**VOLUNTEERS OF AMERICA OF GREATER NEW ORLEANS, INC.
AND SUBSIDIARIES
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Financial Statement Findings

No matters were reported

Federal Award Findings and Questioned Costs

No matters were reported.

**VOLUNTEERS OF AMERICA OF
GREATER NEW ORLEANS, INC. AND SUBSIDIARIES
EXIT CONFERENCE**

The audit report was discussed during the course of the audit and at an exit conference held with the management of **the Organization**. The individuals who participated in those discussions were as follows:

**VOLUNTEERS OF AMERICA OF
GREATER NEW ORLEANS, INC. AND SUBSIDIARIES**

Mr. Robert C. Rhoden, Jr.	Chair – Board of Directors
Mr. Wayne Baquet	Chair – Audit Committee
Mr. James M. LeBlanc	President/CEO
Mr. Gary A. Zapata	Vice-President – Finance & Administration

**BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Alcide J. Tervalon, Jr., CPA	Managing Partner
Mr. Armand E. Pinkney	Engagement Manager